



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 2/26/2002

GAIN Report #ID2002

Indonesia

Coffee

Coffee Update (February 2002)

2002

Approved by:

Kent D. Sisson

U.S. Embassy, Jakarta

Prepared by:

Chris Rittgers/Niniek S. Alam

Report Highlights:

Indonesia's coffee production is in decline due to unattractive prices and lack of adequate maintenance of groves. Production for 2001/02 (April-March) remains at 6,280 thousand bags, which is down about 3 percent from the previous year. As a result of lower production and stiff competition on the world market, exports are forecast to decline to 5,050 thousand bags. Imports are forecast to grow in 2001/02, but still remain rather insignificant. Ending stocks are forecast to grow in 2001/02 as some traders still have expectations for improved prices.

Includes PSD changes: Yes

Includes Trade Matrix: Yes

Unscheduled Report

Jakarta [ID1], ID

SECTION I - SITUATION AND OUTLOOK

Production

Low world coffee prices, domestic economic problems, and lack of sufficient managerial and product inputs have led to a decline in Indonesia's coffee production. As a result of low prices and Indonesia's general economic conditions, farmers reportedly neglect their plantations, leading to falling yields. Also, there has been some substitution out of coffee and into other cash crops such as fruits and vegetables. These factors were prevalent in the last report, and Post's production estimates have not changed since that report.

Consumption and Prices

Considering the unfavorable economic situations which continue to discourage consumption, total domestic consumption estimates have been revised downward.

Led by depressed world prices, Indonesian coffee prices remain very low, the lowest in 40 years. Average farmgate price of Robusta coffee in local markets are around Rp. 3,450/kg or US\$ 0.3/kg at the current exchange rates, while Arabica coffee prices are around Rp. 16,000 to Rp. 17,000/kg or US\$1.6 to US\$ 1.7/kg. The average of Indonesian Robusta export prices was US\$ 930/mt (grade I) and US\$430/mt for grade 4-A (December 2001); average Arabica export prices reached US\$1,480/mt. Imported beans command cheaper prices at an average US\$ 313/mt (recorded during first semester of 2001).

Stocks

Ending stock numbers have been revised to reflect different consumption estimates and indications that traders will be holding more stocks going into the 2002/03 year.

Trade

Exports for 2001/02 are forecast to fall to 5,050 thousand bags as exportable supplies are tighter, combined with stiff competition on the world market.

Bean imports are forecast to be just over 300 thousand bags 2001/02, about a third higher than the previous year, but still relatively insignificant relative to overall domestic supply. At certain times, imported bean prices are competitive relative to local beans, and importers take advantage of this to import and blend beans with local stock, which is then re-exported.

SECTION II - STATISTICAL INFORMATION AND TABLES

Table 1. Production, Supply and Demand: Coffee, Green

PSD Table						
Country:	Indonesia					
Commodity:	Coffee, Green			Unit: 1000 of 60 Kg Bags		
		2000		2001		2002
	Old	New	Old	New	Old	New
Market Year Begin		04/1999		04/2000		04/2001
Area Planted	1160	1160	1150	1150	1150	1150
Area Harvested	900	900	891	891	891	891
Bearing Trees	1300	1300	1310	1310	1310	1310
Non-Bearing Trees	220	220	210	210	210	210
TOTAL Tree Population	1520	1520	1520	1520	1520	1520
Beginning Stocks	486	486	197	287	128	121
Arabica Production	460	460	455	455	480	480
Robusta Production	6200	6200	6040	6040	5800	5800
Other Production	0	0	0	0	0	0
TOTAL Production	6660	6660	6495	6495	6280	6280
Bean Imports	143	150	250	200	350	300
Roast & Ground Imports	0	3	6	10	5	5
Soluble Imports	0	0	0	0	0	0
TOTAL Imports	143	153	256	210	355	305
TOTAL SUPPLY	7289	7299	6948	6992	6763	6706
Bean Exports	5625	5625	5300	5494	5050	5050
Roast & Ground Exports	32	32	35	42	30	30
Soluble Exports	0	0	0	0	0	0
TOTAL Exports	5657	5657	5335	5536	5080	5080
Rst,Ground Dom. Consum	1400	1320	1450	1300	1500	1350
Soluble Dom. Consum.	35	35	35	35	35	35
TOTAL Dom. Consumption	1435	1355	1485	1335	1535	1385
Ending Stocks	197	287	128	121	148	241
TOTAL DISTRIBUTION	7289	7299	6948	6992	6763	6706

Note: "Old" column is FAS/Washington data. For FAS/Jakarta's previous PS&D see ID1014.

Table 2: Coffee (Green) Export
Marketing Year (Apr-Mar) 99/00 and Marketing Year (Apr-Mar) 00/01

Export Trade Matrix			
Country:	Indonesia	Units:	K 60 Kg Bags
Commodity:	Coffee, Green		
Time period:	Apr-Mar		Apr-Mar
Exports for	1999/2000		2000/2001
U.S.	596	U.S.	559
Others		Others	
Japan	1,158	Japan	1,069
Germany	786	Germany	841
Poland	415	Poland	428
Italy	289	Italy	329
Rep. of Korea	288	Singapore	220
Singapore	214	Rep. of Korea	207
United Kingdom	194	Bulgaria	199
Bulgaria	181	United Kingdom	193
South Africa	169	South Africa	185
Malaysia	146	Malaysia	140
Total for Others	3,840	Total for Others	3,811
Others not listed	1,189	Others not listed	1,124
Grand Total	5,625	Grand Total	5,494

Source: Central Statistics Agency (BPS-Badan Pusat Statistik), Jakarta, Indonesia.

Table 3: Coffee (Green) Import
Marketing Year (Apr-Mar) 99/00 and Marketing Year (Apr-Mar) 00/01

Import Trade Matrix			
Country: Indonesia		Units: K 60 Kg Bags	
Commodity: Coffee, Green			
Time period:	Apr-Mar		Apr-Mar
Imports for	1999/2000		2000/2001
U.S.	0	U.S.	1
Others		Others	
Vietnam	104	Vietnam	64
Lao People's Dem	11	Batam	31
Thailand	10	Lao People's Dem	20
India	9	East Timor	4
Coted'Ivoire	4	Peru	4
Belgium	3	Thailand	3
China	3	Coted'Ivoire	3
Singapore	1		
Total for Others	145	Total for Others	129
Others not listed	5	Others not listed	35
Grand Total	150	Grand Total	165

Source: Central Statistics Agency (BPS-Badan Pusat Statistik), Jakarta, Indonesia.

Note: FAS/Jakarta estimated some 35 thousand bags of coffee beans were smuggled into Indonesia in MY01. This is reflected in the 200 thousand bags of MY01 bean import number in the PS&D table.

Table 4: Coffee (Roasted) Export

Marketing Year (Apr-Mar) 99/00 and Marketing Year (Apr-Mar) 00/01

Export Trade Matrix				
Country:	Indonesia		Units:	K 60 Kg Bags
Commodity:	Roasted Coffee			
Time period:	Apr-Mar			Apr-Mar
Exports for:	1999/2000			2000/2001
U.S.	0	U.S.		0
Others		Others		
Japan	9	Japan		11
Singapore	7	Singapore		7
Poland	5	Taiwan		7
Malaysia	4	Malaysia		6
Taiwan	4	Poland		3
Vietnam	1	India		3
Saudi Arabia	1			
Total for Others	31	Total for Others		37
Others not listed	1	Others not listed		5
Grand Total	32	Grand Total		42

Source: Central Statistics Agency (BPS-Badan Pusat Statistik), Jakarta, Indonesia.

Table 5: Coffee (Roasted) Import
Marketing Year (Apr-Mar) 99/00 and Marketing Year (Apr-Mar) 00/01

Import Trade Matrix				
Country:	Indonesia		Units: K 60 Kg Bags	
Commodity:	Roasted Coffee			
Time period:	Apr-Mar			Apr-Mar
Imports for	1999/2000			2000/2001
U.S.	1		U.S.	2
Others			Others	
Malaysia	1		Batam	4
			Malaysia	3
Total for Others	1		Total for Others	8
Others not listed	1		Others not listed	0
Grand Total	3		Grand Total	10

Source: Central Statistics Agency (BPS-Badan Pusat Statistik), Jakarta, Indonesia.

Exchange Rate

Exchange Rate (Rp./1US\$) on Period Month Ending Basis												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1997	2387	2403	2418	2443	2458	2450	2528	2190	3350	3700	3740	5700
1998	13513	9377	8740	8211	10767	15160	13850	11700	11314	9142	7755	8100
1999	9419	8992	8778	8632	8179	6750	6989	7736	8571	6949	7439	7161
2000	7414	7517	7598	7988	8728	8742	9055	8370	8891	9483	9524	9385
2001	9488	9914	10460	11675	11375	11440	9525	8670	9675	10435	10430	10200
2002	10253	10200										

Source: Central Statistics Agency (BPS-Badan Pusat Statistik) and Business Indonesia Daily Newspaper.

Note: - August 2001 exchange rate is quoted for August 27, 2001.

- September 2001 exchange rate is quoted for September 28, 2001

- December 2001 exchange rate is quoted for December 26, 2001

- January 2002 exchange rate is quoted for January 14, 2002

- February 2002 exchange rate is quoted for February 19, 2002

- BPS data available up to March 2001.

F:\gain\docs\http\cofe0202.wpd
February 28, 2002